# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:372
ANSWERED ON:18.07.2017
Service Charges by Restaurants
Girri Shri Maheish;Meena Shri Harish Chandra

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the Government has received complaints from the consumers regarding service charge being levied by the restaurant owners despite it being not mandatory;
(b) if so, the number of complaints received by the Government in the last one year and action taken against the offenders;
(c) whether the Government has issued guidelines on fair trade practices related to the charging of service charge from consumers by hotels/restaurants to regulate charging of tips/gratuities in the name of service charge, if so, the details thereof;
(d) whether the Government is planning to set appropriate restrictions on the pricing of the food and beverages to be charged by the hotels, if so, the details thereof and if not, the reasons therefor; and
(e) whether apart from forming Consumer Dispute Redressal Forum, the Government is planning to have alternative dispute resolution mechanisms for speedy disposal of cases on service charge, if so, the details thereof ?

## Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) : Yes, Madam.

(b) : During the last financial year 2016-17, the National Consumer Helpline received 188 complaints from consumers where they have been asked to pay Service Charge by restaurants/ hotels. The complaints are taken up with the hotels and restaurants concerned.

(c) : The Department of Consumer Affairs issued guidelines on 21st April, 2017 on fair trade practices related to charging of service charge from consumers by hotels/ restaurants. As per these guidelines, the bill presented to the customer may clearly display that service charge is voluntary, and the service charge column of the bill may be left blank for the customer to fill up before making payment. A customer is entitled to exercise his/her rights as a consumer, to be heard and redressed under provisions of the Act in case of unfair/restrictive trade practices, and can approach a Consumer Disputes Redressal Commission/Forum of appropriate jurisdiction.
(d) : There is no such proposal.
(e) : The Consumer Protection Bill, 2015 seeks to establish a Central Consumer protection Authority, an executive agency, which will look into unfair trade practices.
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